

LAFCO of Napa County

Local Agency Formation Commission

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AGENDA ITEM NO. 7a

August 14, 2003

TO: Local Agency Formation Commission

FROM: Dan Schwarz, Executive Officer

SUBJECT: *Comprehensive Study of American Canyon: Service Review Determinations*

At its April 10, 2003 meeting, the Commission received the Service Review Report of the Comprehensive Study of American Canyon. At that meeting, staff presented the Commission with a draft resolution making determinations that would fulfill LAFCO's mandate under California Government Code §56430. The Commission postponed action on this resolution and directed staff to provide greater detail on certain issues relating to the City of American Canyon and its provision of municipal services. At its June 12 meeting, the Commission received a supplement to the Service Review Report providing greater detail about American Canyon's provision of water service. In addition, staff completed and released the first phase of LAFCO's Comprehensive Water Service Study, which contains additional detail about the American Canyon water system.

This supplemental report offers some additional background material on the planning processes for south Napa County. Revisions to the draft determinations in the April 10 report are also identified, and a draft resolution is offered for the Commission's consideration and approval.

Land Use Planning in South Napa County

The Service Review Report discusses planning and public works services in separate sections, and as a result, it is not explicitly noted that the City's service areas for planning and public works are quite different. The City's land use planning authority is limited to its incorporated boundaries, while its water and sanitation service areas extend throughout much of south Napa County. As a result, management plans for water and sanitation services must account not only for existing and proposed development within

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the City of American Canyon, but also in the unincorporated area – including the commercial and industrial area around the Napa County Airport. Such considerations are made in the American Canyon management plans. The County is the land use authority for the unincorporated area in the American Canyon service area.

Hindering the coordination of long-range planning between the City and the County is the disconnect between many of their planning documents. Most problematic is the fact that the two planning documents for unincorporated south Napa County, the County General Plan (several mandatory elements date to 1983) and the Airport Industrial Area Specific Plan (1986), predate the 1992 incorporation of the City of American Canyon. The County of Napa is in the preliminary stages of a general plan update that is anticipated to take at least three years. This update should fully account for the changes that have occurred in south Napa County since incorporation. LAFCO staff will monitor the update process as it unfolds and periodically provide status reports to the Commission. As is noted in the main body of the Service Review Report, the American Canyon General Plan was adopted in 1994. Both the City and the County will benefit if the City updates its General Plan to better reflect the significant growth and development that has occurred since adoption.

For current planning projects, the County of Napa and the City of American Canyon primarily coordinate their responsibilities in the unincorporated area through the environmental review component of the planning process. The California Environmental Quality Act (CEQA) requires a land use planning authority to consider the impact of a project on community services. Accordingly, the County of Napa must inquire of the City as to its ability to serve any proposed development. The City typically provides a statement of its ability to serve through the issuance to the developer of a “will-serve” letter – a letter committing the City to provide water and/or sanitation service to the project provided that all specified terms and conditions are met. These terms and conditions are then folded into the environmental review as mitigation measures against impacts to the provision of the service(s). An example of this process in action is the current review of a proposed hotel development near the Napa County Airport – a project known as “Montalcino at Napa” (Montalcino). The June 2003 Draft Environmental Impact Report (DEIR) for Montalcino offers an overview of the process for reviewing and mitigating the water demand of a project. (Attachment A)

The Montalcino example emphasizes the relationship that must exist between the land use planning process of the County and the infrastructure planning process of the City of American Canyon. Accuracy in the infrastructure planning depends on accuracy in the land use planning. As the County endeavors to update its General Plan, it is critical that it solicit and give great weight to input from American Canyon concerning the provision of water and sanitation service.

Updated Determination – Water Supply in Dry Years

At its April and June meetings, the Commission reviewed the water supply of American Canyon. Of particular interest to the Commission was the availability of water to American Canyon in dry years. It is clear that the Commission is interested in establishing benchmarks for the evaluation of water supply as it relates to spheres of influence and annexations (for all water providers in Napa County). This is particularly relevant to the review of annexation proposals, as the Commission is mandated by Government Code §56668(k) to consider the “timely availability of water supplies adequate for projected needs...”

For the service review component of the Comprehensive Study of American Canyon, the Commission must make determinations about the infrastructure needs and deficiencies of the City of American Canyon. The purpose of the determinations is to make statements of evaluation or analysis about the conditions under which the City is or should be operating. The Commission may use these determinations as the foundation for future actions, such as the adoption of policy concerning the sphere of influence or annexation.

In the Service Review Report received by the Commission in April, Determination 5.3 reads:

Through its contractual agreements, the City of American Canyon imports a supply of water adequate to serve the existing and developing south county region. There has not been a period of extended drought subsequent to the growth in the City; a significant measure of the capability of the American Canyon water system will be its performance under such drought conditions. Any service review conducted subsequent to a drought should carefully evaluate this performance.

The Commission requested more details about the American Canyon water supply so that it could properly evaluate whether to make the proposed determination. In June, the Commission received a supplemental report about the American Canyon water supply. The subsequent discussion of this report suggested that the Commission would prefer that the draft determination underscore the need for American Canyon to be diligent in its preparations for drought conditions and potential reductions in the delivery of water entitlements by the State Water Project. Staff has drafted a revised determination:

To account for the realities of water entitlements, the City of American Canyon should continue to objectively differentiate between entitlements and actual deliveries in their water supply analysis. This is especially important to ensure an adequate supply of water during extended drought periods when deliveries are restricted.

The attached draft resolution replaces the Determination 5.3 from the April report with this language.

RECOMMENDATION

It is recommended for the Commission to take the following action:

- 1) Approve the form of the attached resolution making determinations about American Canyon pursuant to Government Code §56430.

Respectfully submitted,

Daniel Schwarz
Executive Officer

Attachments

- 1) Montalcino DEIR excerpt
- 2) Draft Resolution

RESOLUTION NO. _____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS**

**COMPREHENSIVE STUDY OF AMERICAN CANYON
SERVICE REVIEW**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer established a geographic region for a service review of the City of American Canyon; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public workshop on the “Comprehensive Study of American Canyon”, including the service review of the City of American Canyon, on January 9, 2003; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public workshop on January 9, 2003 and at meetings of the Commission on April 10, 2003, June 12, 2003, and August 14; and

WHEREAS, as part of this service review, the Commission is required pursuant to Government Code Section 56430(a) to make a statement of written determinations with regards to certain factors.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, and applicable provisions of the California Environmental Quality Act (CEQA), the Commission hereby determines that this service review is exempt from the provisions of CEQA under Section 15306 of the State CEQA Guidelines (Title 14 of the California Code of Regulations Section 15306). The service review is a data collection and research study. The information contained within the service review may be used to consider future actions that will be subject to environmental review.
2. The Commission adopts the statement of determinations set forth in "Exhibit A" which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 14th day of August 2003, by the following vote:

AYES: Commissioners

NOES: Commissioners

ABSENT: Commissioners

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By:_____

EXHIBIT A

COMPREHENSIVE STUDY OF AMERICAN CANYON SERVICE REVIEW

STATEMENT OF DETERMINATIONS

1. The Commission determines that:

- The general administration of the City of American Canyon is capable of offering appropriate levels of service to current and future populations, and capable of extending its service into newly annexed territory.
- The design of police protection as a contract service affords the City of American Canyon a desirable amount of flexibility to address increased need. This contract can be amended to address any pressing needs presented by annexation or any other proposed change of organization.
- The City of American Canyon is mapped out. Opportunities for infill development are limited or non-existent.
- The American Canyon General Plan was adopted in 1994. Since the adoption of the General Plan, significant growth has occurred. The City of American Canyon should review the General Plan and determine which elements require review and update as a result of this growth.
- The American Canyon Circulation Element requires revising. A review of the element should occur shortly after an anticipated update of the countywide traffic model.
- The American Canyon Land Use Element includes unincorporated territory designated as a “special study area”. With the City of American Canyon growing to its boundaries, the planning staff is encouraged to review this designation and determine if some other designation is appropriate.
- The City of American Canyon’s new wastewater treatment plant holds the promise of expanded capacity that will serve the current and future needs of south Napa County. However, because the plant was only recently brought online, a review of its performance is unavailable. Service reviews dealing with wastewater treatment and the next service review for the City of American Canyon should more fully examine American its wastewater treatment facilities and capacity.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a)(1)], the Commission determines that:
 - The City of American Canyon relies on imported water to deliver potable water to its customers. American Canyon has been diligent in pursuing agreements that ensure a steady and safe supply of potable water for its current and future customers.
 - To account for the realities of water entitlements, the City of American Canyon should continue to objectively differentiate between entitlements and actual deliveries in their water supply analysis. This is especially important to ensure an adequate supply of water during extended drought periods when deliveries are restricted.
3. With respect to growth and population projections for the affected area [Government Code §56430(a)(2)], the Commission determines that:
 - The population projections issued by the Association of Bay Area Governments (ABAG) are satisfactory estimates of the current and future population of the City of American Canyon.
 - The City of American Canyon evaluates its service capacities using reasonably accurate projections and reliable data sources.
4. With respect to financing constraints and opportunities [Government Code §56430(a)(3)], the Commission determines that:
 - The decision of the City of American Canyon to contract for police protection reflects recognition of the significant financial constraints posed by the formation of a police department.
 - The annual budget for police protection service in the City of American Canyon is a product of consultation with the Sheriff's Department, and represents a balance between fiscal concerns and the expectation of a particular level of police protection.
 - Anticipated reclaimed water generated at the American Canyon Wastewater Treatment Plant will offer customers who can use reclaimed water a suitable source at an acceptable rate, while reducing the draw upon the overall supply of potable water. Service reviews dealing with water delivery and the next service review for the City of American Canyon should more fully examine its facilities and capacity.

5. With respect to cost avoidance opportunities [Government Code §56430(a)(4)], the Commission determines that:
 - The decision of the City of American Canyon to contract for police protection reflects recognition of the significant financial constraints posed by the formation of a police department.
 - The American Canyon Joint Use Community/Aquatic Center, a collaboration of the City of American Canyon and the Napa Valley Unified School District, is an example of the benefits of shared costs and resources.
6. With respect to opportunities for rate restructuring [Government Code §56430(a)(5)], the Commission determines that:
 - For rates relating to franchise fees, the terms of the franchise agreements entered into by the City of American Canyon have produced fair and competitive rates. The City's administration has demonstrated a commitment to lowering rates when the opportunity presents itself.
 - Anticipated reclaimed water generated at the American Canyon Wastewater Treatment Plant will offer customers who can use reclaimed water a suitable source at an acceptable rate, while reducing the draw upon the overall supply of potable water. Service reviews dealing with water delivery and the next service review for American Canyon should more fully examine American Canyon's facilities and capacity.
7. With respect to opportunities for shared facilities [Government Code §56430(a)(6)], the Commission determines that:
 - The City of American Canyon determined that its arrangement to share facilities with the Napa Sanitation District would not meet its long-term needs and goals. Bifurcation of the two wastewater treatment systems has made it considerably easier for the Napa Sanitation District to meet the treatment needs of its customers.
 - The American Canyon Joint Use Community/Aquatic Center, a collaboration of the City of American Canyon and the Napa Valley Unified School District, is an example of the benefits of shared costs and resources.

8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a)(7)], the Commission determines that:
 - The only local agency whose jurisdiction overlaps that of the City of American Canyon is the American Canyon Fire Protection District. The City does not directly exercise its authority to offer fire protection service, preferring instead to exercise it through the subsidiary district. An examination of the benefits and costs of this relationship is more appropriately left to a review of the district, and to south county fire protection in general, and is not contained in this service review.
9. With respect to evaluation of management efficiencies [Government Code §56430(a)(8)], the Commission determines that:
 - The administration of the City of American Canyon is organized in an efficient managerial system that holds staff appropriately accountable to the City Council and the Council accountable to the electorate.
 - The contract between the City of American Canyon and the Sheriff's Department is adjustable, allowing the city to adapt to changing needs and new demands.
10. With respect to local accountability and governance [Government Code §56430(a)(9)], the Commission determines that:
 - The administration of the City of American Canyon demonstrates a commitment to public outreach and communication. These efforts facilitate local accountability and the participation of the citizenry in local governance.
 - The contract between the City of American Canyon and the Sheriff's Department is a component of the annual budget and subject to public review.
 - The latest version of the contract between the City of American Canyon and the Sheriff's Department increases the ties between the police force and the community in a manner that improves familiarity and accountability.
 - The planning and community development component of the city government demonstrates a concerted effort to inform the public of its activities.
 - When determining the location and form of new community resources, such as parks, American Canyon demonstrates a commitment to public input.